

Committee: Cabinet	Date:	Classification: Unrestricted	Report No:	Agenda Item No:
Report of: Corporate Directors of Development and Renewal and Communities Localities and Culture. Originating Officer(s): Owen Whalley and Jamie Blake			Title: Regeneration of 1-94 Cotall Street and Bartlett Park Ward(s) affected: Limehouse and East India and Lansbury	

1. SUMMARY

- 1.1 This report outlines a proposal to take forward a long-standing Council regeneration proposal in the Lansbury area in partnership with Poplar HARCA and East Thames Group (the Partnership).
- 1.2 The scheme would deliver a long-held vision to demolish 1-94 Cotall Street, develop new mixed tenure housing including substantial numbers of affordable rented homes and provide a new HARCA community access centre. The park would be extended northwards to the Limehouse Cut as part of a major park improvement scheme, bringing significant investment to this important amenity and achieving a net increase in open space along with better sports facilities and new changing rooms.
- 3.3 The report updates members on the progress to date, and seeks approval to the principle of the regeneration proposal and partnership working before more detailed feasibility work is undertaken by the Partnership. This approach will enable coherent, focused master-planning by the interested parties and different land owners.
- 1.4 It is anticipated that subject to a satisfactory outcome of the second stage feasibility work, a further report will be brought to Cabinet for consideration recommending disposal of three development sites to the Partnership.

2. RECOMMENDATIONS

Cabinet is recommended to:

- 2.1 Agree to proceed with the demolition of 1-94 Cotall Street.
- 2.2 Authorise the Corporate Director, Development and Renewal, after consultation with the Corporate Director, Communities, Localities and Culture, to progress work with the Poplar HARCA / East Thames Group Partnership which will carry out second stage feasibility work on regeneration proposals for future Cabinet consideration.

- 2.2 Agree in principle to the disposal of land required for development (described in paras 8.1 and 8.2) to the Partnership, on the basis that the final decision to dispose would be subject to a further report to Cabinet .
- 2.3 Note that any disposal of sites to the Partnership for development would form a negotiated disposal to a public sector partner in accordance with the Asset Management Strategy, where it can be demonstrated that additional benefits to the council are provided, as explained in paras 8.5.1 to 8.5.8.
- 2.4 Note the Key Project Requirements set out in paras 4.3.1 to 4.3.7.
- 2.5 Note that an extensive programme of community and stakeholder consultation will be carried out by the Partnership, in conjunction with council officers, as part of the detailed second stage feasibility study.

3. BACKGROUND

- 3.1 This report describes a long standing regeneration project to redevelop unfit housing and improve the Bartlett Park. There has been a long history of proposals to demolish 1-94 Cotall Street, to extend the park and provide new community and sports facilities, described in paras 4.1 to 4.7 .
- 3.2 The report proposes to progress these regeneration proposals by developing and confirming the existing Partnership, who will undertake further feasibility work to develop the proposals to a level where (if appropriate) a report can be brought back to Cabinet with a recommendation for land disposals necessary for the regeneration to proceed. Details of the Partnership and their involvement are provided in paras 3.9 to 3.18
- 3.3 **The Regeneration of Bartlett Park**

Bartlett Park is a "district park" and the most significant open space in the Lansbury area: it was laid out in the 1950s as part of the Festival of Britain development of Lansbury Estate. The park is just under 5 hectares in size and has a church and some 100 residential homes in the middle. Since its creation it has played a strong part in the build up of the local community and it is recognised as an important landmark and an important strategic site. The main area of the park is situated on the western side of Upper North Street, and currently includes two full sized football pitches and other green space for passive recreation. The south-eastern section of the park is located on the other side of Upper North Street, comprising a small under five's play area and a children's' adventure park. The park is gated and the access points are quite difficult to find. Landscaping is basic and there is great potential for a more attractive and welcoming amenity.
- 3.4 It was always envisaged that the demolition of 1-94 Cotall Street would enable a land-swap arrangement, specifically to extend the park, achieve a small increase in open space and release land for the development of the proposed community centre. It is now proposed that the same principle will also enable the development of new homes, including substantial numbers of

additional affordable rented homes, subject to the Key Project Requirement that any scheme must produce an increase in public open space. The proposed redevelopment sites would collectively require a smaller land area than that made available for the extended park by the demolition of 1-94 Cotall Street and the stopping up of Cotall Street itself, which would allow the extension of the park northwards to the Limehouse Cut.

3.5 Demolition of 1-94 Cotall Street

1-94 Cotall Street is a six storey 1950s block of flats and maisonettes, situated on the northern boundary of Bartlett Park in Lansbury area. In November 2001, Policy and Implementation Committee (PIC) received a report that set out the findings of an independent survey of the residents of the block. PIC noted the survey's findings that a majority of the block's residents wanted the block demolished and that officers were working to establish a viable and affordable scheme to enable this to happen.

3.6 In April 2002 PIC approved decanting and demolition of the block and identified the involvement of Poplar HARCA and East Thames Housing Group as the delivery Partnership .

3.7 The 2002 PIC report stated that the 94 units (277 habitable rooms) in 1-94 Cotall Street were to be replaced by the Partnership, with new homes developed on a number of potential sites nearby. Fig 1 below shows that the target 94 replacement units for the Cotall Street Block have not only been met but significantly exceeded. Any affordable housing developed as part of the proposed Bartlett Park Regeneration will therefore now be additional new supply:

Site	Completed	Rented Units	Intermediate Units	Total Units	Total Habitable rooms
Cedar Wharf	May 2006	41	4	45	164
Abbotts Wharf	Sep 2005	44	56	100	288
Old Stainsby Road Garages	April 2005	22	21	43	134
TOTAL		107	81	188	586

Fig 1 - replacement housing developed by the East Thames Housing Group and Poplar HARCA Partnership

3.8 The decanting of secure tenants in 1-94 Cotall Street and leaseholder buy-backs took considerable time, with the final leaseholder moving out in January 2008. As flats became empty the Council made best use of the vacant flats as temporary housing for homeless families on Non-Secure Tenancies (NST's). There are currently 24 NST's remaining, who are expected to be decanted by April 2009 because the block is no longer fit for purpose.

3.9 The Delivery Partnership - Historic Involvement

Whilst regeneration of Bartlett Park has been a long-term vision, the Council currently has no provision within the Housing Investment Programme for the demolition and redevelopment of the block and the subsequent improvements.

- 3.10 The proposals set out in this report would pass the responsibility for preparing, funding and delivering the redevelopment scheme to the Partnership, which in turn would generate resources to enable CLC to commission and deliver the park improvements.
- 3.11 Both Poplar HARCA and East Thames are locally based Registered Social Landlords with established Partnership links to develop and regenerate housing and community facilities in Poplar. They have been involved in drawing up proposals for the renewal of the Lansbury area of Poplar for over ten years. HARCA's involvement is well documented in a 2002 report by Leaside Regeneration Ltd – the Council's appointed agent for delivery of SRB4 and SRB6 programmes - entitled "Lansbury Neighbourhood, Leaside, London: Planning and Regeneration Framework". In the chapter "Regeneration Context", Poplar HARCA's housing and community regeneration programme is cited as the main driver for change in the area:-

'Poplar HARCA was created to own, manage and renew a substantial part of the housing stock within Poplar as part of an integrated strategy which would also transform the community and environmental context of the areas in which it operates.... Thus in addition to their housing regeneration programme the HARCA proposes to regenerate Bartlett Park to provide active facilities for team sports and passive recreation, and to house the new Lansbury Centre as a multi function community and access centre; and (with Leaside Regeneration and British Waterways) to open up and upgrade the quality of the Limehouse Cut as a recreation and visual asset to Lansbury and neighbouring communities..... It is proposed to extend Bartlett Park to the Cut by demolishing 94 dwellings on Cotall Street and closing the road. The park would be extended down to the waters edge. A new Lansbury Centre would be located in the north eastern corner of the park where changing rooms and showers for the park would also be located'

- 3.12 Poplar HARCA and East Thames were partners and match-funders in delivering the SRB4 and SRB6 programmes. The council also part-funded the provision of community access centres for HARCA of the kind proposed for Bartlett Park, in partnership with East Thames, and these facilities have proven popular and effective.
- 3.13 SRB6 funding was provided in 2002-04 via Leaside Regeneration Ltd, for HARCA to carry out an earlier Bartlett Park Feasibility Study. Throughout this period and subsequently HARCA has provided administrative support to the "Friends of Bartlett Park", which was established by Leaside

Regeneration to provide a forum for stakeholder discussion about the future of Bartlett Park.

3.14 Existing Partnership Commitments

There remains an SRB6 match-funding requirement for Poplar HARCA to provide and fund a community facility in the park, along with new changing rooms. In paras 4.10-4.12 below it is explained that part of this contribution could be used as forward-funding to kick-start the park regeneration, by demolishing 1-94 Cotall Street.

3.15 There is further historic agreement for the park to be “repaid” some 635m² of public open space, which was used by East Thames to create a viable development site at the former Stainsby Road garages, as part of the re-provision of homes for 1-94 Cotall Street. It was envisaged when agreed that this could happen as part of the wider regeneration now proposed and this has been taken into account in calculating the overall projected increase in open space which these proposals would deliver.

3.16 East Thames has land-banked a key site at 88 Stainsby Road (formerly the Chinese take-away and car park) to facilitate development of “Site B” shown in Appendices 1 and 3. It is proposed that the inclusion of this site will add value to the scheme by bringing East Thames’ land into the wider regeneration of Bartlett Park.

3.17 HARCA’s private developer partner.

Poplar HARCA has selected Telford Homes as private sector Joint Venture Partner for the regeneration of Bartlett Park, following a two stage OJEU based competitive tendering process. Officers are satisfied that the prior selection of Telford Homes through an open and competitive OJEU tendering process will enable the Partnership to demonstrate value for money for this scheme which will be established on an open book basis, and independently assessed on behalf of the council.

3.18 Telford Homes has a track record of partnership working in the borough and delivering quality developments locally, for example at Abbots Wharf and Stainsby Road, both adjacent to the park, and have demonstrated a commitment to ‘open book’ financial arrangements which have been successful at Furze Green and British Street

4. CURRENT PROPOSALS AND “KEY PROJECT REQUIREMENTS”.

4.1 The Partnership has carried out some first stage work to assess the viability of a regeneration proposal for Bartlett Park. Approval is now sought to demolish 1-94 Cotall Street, subject to the scoping of a scheme with the proposed Partnership, via a second feasibility study stage. It is envisaged that following detailed feasibility work in Spring 2009, a further report to Cabinet will seek approval of the scheme and of disposal terms for the proposed development sites. More detailed design work and further consultation would then be carried out towards a planning submission.

- 4.2 Demolition of 1-94 Cotall Street will allow Bartlett Park to be extended over the site currently occupied by the block, and over the area now occupied by Cotall Street itself, up to the Limehouse Cut. This extension of the park will enable a 'land-swap' to release three sites in proposed locations currently identified as "A", "B" and "C" on the current perimeter of the park, for redevelopment. The existing block and the proposed new-build sites are identified in Appendix 1. This includes aerial photographs of the area as it is now. Appendix 2 provides two viability sketches to show where demolition and redevelopment on the park perimeter is proposed, including the provision of the new community centre and changing rooms, beneath a new mixed tenure residential block. It is stressed that these locations are only approximate at this stage and subject to the outcome of the proposed second stage feasibility work. The drawings are illustrative only and do not reflect the final design of the blocks or of the potential park improvements.
- 4.3 Release of these three sites for redevelopment will therefore allow the Council to achieve the following proposed **Key Project Requirements:-**
- 4.3.1 Coherent masterplanning for the Bartlett Park area, bringing together key interested parties and landowners with a shared regeneration objective.
- 4.3.2 Extension of Bartlett Park north to meet the Limehouse Cut entailing -
- Demolition of 1-94 Cotall Street
 - Stopping up of Cotall Street adjacent to the Limehouse Cut
- 4.3.2 A net increase in public open space.
- 4.3.3 Improvements to park and sports facilities.
- 4.3.4 Provision of a long awaited Community Access Centre ("Lansbury Centre") adjacent to the park.
- 4.3.5 New changing rooms as part of the Lansbury Centre, to replace those on Stainsby Road.
- 4.3.6 New mixed tenure residential development providing:-
- (i) A target of 50% (minimum 35%) additional affordable housing subject to the availability of grant and its aspirations for income generated through land values.
 - (ii) A minimum of 30% family housing across all tenures, through design which is compliant with the Council's planning policy on housing.
- 4.3.7 Generation of S106 contributions to finance improvements to the park and sports facilities, in addition to highways, health and education payments.

- 4.4 Site C on the corner of Cotall Street and Upper North Street has been identified as the optimum location for the new Lansbury Centre and changing rooms on lower levels, with residential units above. The development of the Lansbury Centre with housing above at this highly visible location, together with the additional public activity that will be generated, was described by Leaside Regeneration in their 'Planning and Regeneration Framework for Lansbury Neighbourhood' as 'an ideal opportunity to signal a gateway to Lansbury'.
- 4.5 Some first stage work was commissioned at risk by the Partnership to demonstrate the viability of the scheme in financial and planning terms. The indicative viability sketch in Appendix 2 shows a medium to high density scheme of around 240 dwellings. New residential development is shown on the site of the existing changing rooms on Stainsby Road (site A), at the corner of Stainsby Road and Cotall Street (site B) and above the Lansbury Centre at the corner of Cotall Street and Upper North Street (site C)
- 4.6 The viability sketch is included here simply to illustrate the scale of proposed development upon which the financial viability calculations are based, and does not indicate the Council's approval to the numbers of homes, densities or detail. These ideas from the Partnership are at an early stage and further second stage feasibility work to develop the proposals in further detail will be carried out in discussion with planners and local stakeholders. The second stage feasibility work is intended to inform a future Cabinet decision on disposal prior to a subsequent formal planning application.
- 4.7 A mixed tenure scheme is proposed with a target of 50% affordable housing, depending on the availability of grant funding. The affordable housing tenure will be split 80%:20% in favour of social rented in line with the Council's Housing Needs Survey and enshrined in the Interim Planning Guidance. 50% affordable housing is considered the maximum reasonably achievable in the interests of sustainability both in terms of financial viability and mixed and balanced communities. Cross subsidy derived from an element of private development is required in order to maintain the 'value for grant' levels expected by the Housing Corporation.
- 4.8 Demolition Proposal**
1-94 Cotall St has a significant number of structural defects and falls significantly below decent homes standards.
- 4.9 Neither the Council nor Tower Hamlets Homes has funding programmed either for works to this block or demolition. It was always intended that this would be paid for within a wider regeneration scheme, as the block already had decant status with an intention to demolish.
- 4.10 Demolition of the block is estimated to cost around £300,000 with further levelling, clearance and landscaping works to convert to lay the site out as park expected to cost an additional £ 300,000. Poplar HARCA has agreed to underwrite the costs of basic demolition and securing the site if, following feasibility work, Cabinet agrees that a wider scheme can proceed, subject to planning. Poplar HARCA has also agreed to explore options for limiting the

impact of construction work on residents, including the possibility of greening the cleared site earlier in the programme, and minimising the visual impact of site security so that residents can enjoy the additional area of open space and improved visual link to the Limehouse Cut before the construction works start.

- 4.11 This undertaking by Poplar HARCA is in compliance with an SRB6 match-funding requirement to build a community centre in Bartlett Park – subject to council approval – and would thus utilise part of the expenditure required in advance works to improve the park through the demolition of the block. This expenditure would be “at risk” by HARCA until the proposals gain planning consent, however it represents a saving for the Council, potentially enabling demolition early in 2009/10.
- 4.12 Early demolition is favoured if possible to minimize further deterioration of the block, the risk of squatting and significant security costs. The timetable in Appendix 5 shows that if officers are able to return to cabinet by mid-2009 with a positive outcome from the feasibility study, a scheme could be agreed, subject to planning. This would enable demolition of 1-94 Cotall Street by Autumn 2009.

5. PROPOSED IMPROVEMENTS TO THE PARK

5.1 Proposed improvements to the park will increase the amount of open space and extend the park to the Limehouse Cut. Additional landscaping to the extended and existing park areas is envisaged, along with better sports facilities, including improvements to football pitches and new changing rooms. The park improvements could be funded through Section 106 contributions from developments around the park.

5.2 Previous consultation by Poplar HARCA and Leaside Regeneration highlighted six strategic principles for improvements in the Bartlett Park Feasibility Study, dated November 2004:

5.2.1 Clearly define the park

- Adjust roads to clarify the extent of the park.
- Connect the park to Limehouse Cut.
- Integrate the new Lansbury Neighbourhood Centre.
- Make a new network of routes and entrance.

5.2.2 Make the park safer and more secure

- New developments increase overlooking and activity around the Park.
- Move the path network away from Bartlett Close.
- Improve fences and making gates vehicle-proof.
- Introduce a lighting strategy.
- Use CCTV at key points.
- Participate in the Dog Warden Scheme.

5.2.3 Reinforce what is already good about the park

- Improve the open green space.
 - Plant trees to reinforce the park edge.
- 5.2.4 **Improve and add facilities**
- New sports changing rooms in the proposed new Lansbury Centre.
 - New Canalside Walk.
 - New under-fives play area.
 - New all-weather games area.
 - Improve existing football pitches.
 - Make more places to sit.
- 5.2.5 **Establish a strategy for planting**
- Increase biodiversity with grasses and low maintenance planting.
 - New planting around the walls of Bartlett Close.
 - New tree planting.
- 5.2.6 **Create an identity for the park.**
- 'Narrative Path' with public art elements.
 - Landmark clump of trees.
- 5.3 The Director of Communities Localities and Culture (CLC) has been consulted in the development of this regeneration proposal and confirms the park improvements will, through a substantial S106 contribution, deliver improved sports facilities and changing rooms and produce a sports environment within the park targeted equally at adults and children. This will be complemented by sports and health focused projects delivered by HARCA from the proposed community centre.
- 5.4 If the wider regeneration scheme proceeds it is envisaged that it would be taken forward jointly by CLC and the Directorate of Development and Renewal. CLC will separately scope, commission and manage the parks and sports improvements elements of the project.
- 5.5 CLC will undertake consultation with the local community and key stakeholders as part of the proposed second stage feasibility work and will draw up proposals for major improvements to the park.
- 5.6 A Key Project Requirement of the proposals is the stopping up and closure of Cotall Street to allow the extension of the park. The Head of Transportation and Highways has noted that the junction of Cotall Street with Upper North Street is extremely dangerous due to the bridge parapets and road alignment combining to reduce visibility significantly below acceptable road safety standards. Hence the Council would welcome the closure of Cotall Street at this point as it would not only remove this traffic hazard, but also improve access to Bartlett Park and along Upper North Street for pedestrians from the north.
- 5.7 The closure of the entire section of Cotall Street alongside the canal would be feasible in traffic terms, provided that access to the services under the street

is maintained (being part of the park could allow this) and provided that any essential access for servicing or fire access is provided to all new developments. This would be subject to consultation as part of the wider regeneration proposal.

6. PROPOSED NEW “LANSBURY CENTRE”

- 6.1 Poplar HARCA has an unfulfilled commitment under the SRB6 programme (for which the council is the accountable body), to fully fund the cost of a new community facility and new changing rooms in Bartlett Park, including £300,000 towards related park regeneration. This was part of the vision for Bartlett Park when the decant of Cotall Street was agreed in 2002. Poplar HARCA is also required to establish an ongoing revenue stream to support the activities of the Lansbury Centre within their business plan for the scheme.
- 6.2 The proposed new Lansbury Centre will offer new opportunities to enrich the community life of Lansbury residents. Activities and services provided would be based upon new and historic consultation with the community, including some to be relocated from current accommodation nearby.
- 6.3 Some of the main themes are likely to include:
- 6.3.1 **Sports and healthy living** initiatives for all ages and sections of the community, to complement the improved sports infrastructure in the park help address local health priorities and needs. An existing Health Promotion Volunteers Project already works with Primary Care Trust and local GP services.
- 6.3.2 **Opportunities for schools** to utilise outdoor and indoor facilities, including Family Learning programmes. HARCA has links with the local Children’s Centre, managed by the Borough, and would host services for children and families at the new canalside Lansbury Centre, which could include a crèche, parent/toddler and speech / language sessions and family work with over 5’s, including crèche supported training courses for parents.
- 6.3.3 **Excellent facilities for youth delivery partners** to enable expansion of existing programmes. Aspects of the LBTH LAP 7 youth contract could be delivered at the new centre. HARCA’s youth and community teams would aim to provide youth sports and other activities, such as scouts and karate. Other activities would focus on local Bangladeshi residents, Somali community activities, women’s groups and new residents’ groups to address local needs.
- 6.3.4 Promotion of activities to encourage local people to be more involved with **local green spaces and the environment**, including programmes linking use of the Centre to the Park.

- 6.4 Poplar HARCA has strong links with the Tower Hamlets and Local Area Partnerships, and could involve the LAP 7 Neighbourhood Manager at the Canalside Centre. Links to the Cleaner, Greener, Safer agenda could also be strengthened, for example by relocating LAP 7 and LAP 8 litter pickers from the nearby base on Alton Street. Existing work between LBTH Adult Services and the Poplar HARCA Tenancy Sustainment Team to provide support for elderly residents could be enhanced.
- 6.5 **Employment projects** delivery through Poplar HARCA's Employment Team and partners, including the East London Business Alliance, Limehouse Project and the Bromley by Bow Centre: these could include a range of training and employment courses, advice and guidance and job search using on-site bank of PCs.

7. PLANNING POLICY REQUIREMENTS

- 7.1 The demolition at 1 -94 Cotall Street and the potential for residential and community development is considered acceptable in principle, subject to meeting planning policy requirements set out in the Unitary Development Plan (1998), London Plan (2008), and the councils Interim Planning Guidance (2006).
- 7.2 A summary of the main planning policy requirements and redevelopment principles that would apply to the Cotall Street site, and the wider regeneration of Bartlett Park, are provided in para. 7.3 below. It should be noted that this is not a definitive list of the council's requirements and is based on the advice of officers and current planning policy.

7.3 Cotall Street and Bartlett Park: Redevelopment Principles

- 7.3.1 Proposals should address the historic deficit of open space, provide additional open to support an increased residential population, and enhance the use of Bartlett Park with positive benefits for recreation, community facilities, environment, access links, and community cohesion.
- 7.3.2 Redevelopment provides the opportunity to extend the park to the canal side edge creating additional open space amenity.
- 7.3.3 New residential development following demolition of the existing block on Cotall Street should provide a minimum of 35% affordable housing in terms of habitable rooms, with a 80:20 mix social rented: intermediate housing for all additional housing provided.
- 7.3.4 Housing accommodation in new residential developments should include a sustainable mix to offer a diversity of housing types and

sizes to meet local needs, with a particular requirement for family housing.

- 7.3.5 New residential development is required to meet the minimum requirement for housing amenity standards per dwelling.
- 7.3.6 The Public Transport Accessibility Level (PTAL) of the area is '2 - poor' - and the site is within an 'urban' context meaning the appropriate density range is up to 450 habitable rooms per hectare. Increasing the residential density at the park should carefully consider the impacts on the surrounding neighbourhood and would require investment in social and physical infrastructure including transport and accessibility improvements.
- 7.3.7 Any tall building proposed in this location will be measured against the context of the surrounding environment and its impact upon the adjoining Bartlett Park open space and whether the siting of a building in the location is appropriate. Views across the park, impact on the area's character, relationship with the canal and the need for high quality design will be important planning considerations at application stage on the site.
- 7.3.8 A high standard of design for all new development is required to buildings of appropriate scale, bulk, mass and density to its surroundings, contributing positively to the area and ensuring development is both safe and accessible.
- 7.3.9 The inclusion of a new community centre within any redevelopment would require careful consideration in terms of the catchment the facility was to serve, the needs of the area and accessibility.
- 7.3.10 Redevelopment proposals should improve access and linkages to Bartlett Park from the north. The possibility of constructing a new bridge over the Limehouse Cut or upgrading the existing bridge - which is of poor quality, unsafe and not amenable to non vehicular road users - should be explored. Traffic calming measure on Upper North Street may also be required.
- 7.3.11 Sustainable transport measures should incorporated into a new development at Cotall Street to include pedestrian friendly places, car free agreements, cycle facilities, and green travel plans.
- 7.3.12 New residential development should meet high environmental sustainability standards, reaching code for Sustainable Homes rating of 4* (code 4) as a minimum to be achieved. Major developments are expected to achieve a reduction of carbon dioxide by 20% from on site renewable energy production.
- 7.3.13 With regard to environmental protection, new development should consider noise and air pollution, and potentially contaminated

land. All new development is also required to make sufficient provision for waste disposal and recycling facilities. It is recommended that an Environmental Impact Assessment (EIA) and screening request is submitted to the local planning authority the earliest opportunity.

7.3.14 Priorities for planning obligations will include affordable housing, open space and recreation improvements, transport and highways improvements, education, health and community facilities. Examples of specific contributions may, a new bridge over the Limehouse Cut for pedestrians as well as enhancements to Bartlett Park.

8. LAND OWNERSHIP AND DISPOSAL ARRANGEMENTS

- 8.1 Appendix 1 identifies the locations of three potential sites (A, B and C), where new residential development and the new Lansbury Centre are proposed. Appendix 4 shows the current land ownerships. The majority of the area to be included in the regeneration is owned by the Council, However as explained in para. 3.15, East Thames owns the majority of Site B having landbanked the Chinese takeaway and adjacent car park.
- 8.2 It is expected that in any disposal recommendation, the freehold interest of existing Council landholdings will remain with the Council: the area of 1-94 Cotall Street, to be converted after demolition to parkland, will remain in the Council's ownership, whilst the long leasehold interest in sites A and C, along with part of site B which is in council ownership, would be transferred to the Partnership, generating a receipt for the Council. The precise locations and boundaries of sites A, B and C will be subject to the outcome of the second stage feasibility work.
- 8.3 Subject to successful negotiation of provisional disposal terms and development of a second stage feasibility study which meets the Council's Key Project Requirements, a further report will be submitted to Cabinet seeking approval for the disposal of the proposed sites, in line with the Council's Asset Management Plan.
- 8.4 The Council's **Asset Management Plan 2008/9 – 2010/11** (updated 13 December 2007) contains a 'Disposals Protocol' at Appendix 3 which states that disposal of surplus property should normally require the open invitation of competitive bids, **unless** the Service Head Asset Strategy, Capital Delivery & Property Services, has the agreement of the Assistant Chief Executive (Legal Services) and Chief Finance Officer that an alternative method of disposal would be appropriate. Examples of possible exceptions listed include:-
- *Sale to an adjoining owner or sale of a part-interest in a property where amalgamation of interests could enable substantial "marriage value" to be realised.*
 - *Sale to a public body (eg a Housing Association or London Development Agency or English Partnerships) at less than market*

value, where other benefits are offered to the Council, provided that such sale is within the General Order (Statutory power), or receives Secretary of State's consent. (see paragraph 7 below).

8.5 Benefits of the proposed approach

It is envisaged that the proposed regeneration would entail disposal by negotiation with the Partnership, subject to statutory powers, which would constitute a disposal to a public sector partner at below market value, demonstrating that this will achieve a range of benefits to the Council, which add value and enhance the potential for additional new affordable homes. These include:-

- 8.5.1 Coherent masterplanning, design and delivery of the redevelopment and park improvement schemes by the key landowners and stakeholders, under a single umbrella, overseen by the Council; this will simplify the design, consultation and planning processes, and generate a larger "section106" contribution, part of which would pay for the wider regeneration of the park.
- 8.5.2 Inclusion of land owned at "site B" by East Thames.
- 8.5.3 Provision of council land at site C which will allow Poplar HARCA to discharge its long-standing SRB6 commitment to provide a new fully funded community facility, and new changing rooms, for the whole wider Lansbury area.
- 8.5.4 Relocation of the existing changing rooms on Stainsby Road creates the potential to release "site A" for redevelopment.
- 8.5.5 Forward funding at risk by the Partnership for a second stage feasibility design and consultation process, prior to obtaining cabinet approval to proceed with the scheme;
- 8.5.6 Early demolition of 1-94 Cotall Street once land disposals for the scheme are agreed by cabinet. Because the scheme would still be subject to planning at this stage, the demolition would be funded at risk by Poplar HARCA, representing a saving to the council in long-term void management and demolition costs;
- 8.5.7 Recovery to the park of the 653 m² 'land debt' owed by East Thames (explained in para 3.16) which can only be realised if 1-94 Cotall Street is demolished.
- 8.5.8 Close working on an open book basis with an established partnership, which collectively has a history of working locally on large scale regeneration initiatives, such as SRB4 (Teviot and Aberfeldy Estates) Lansbury / Chrisp Street, Abbott's Wharf and British Street Estate, to produce high quality built environments; HARCA and East Thames have previously consulted the local community about the future of Bartlett Park and the wider regeneration of the area, whilst Telfords /

East Thames built the lauded Abbott's Wharf development adjacent to the proposed scheme.

8.6 Business planning and arrangements for determining land value

The Partnership has provided indicative calculations of land value for the levels of development indicated in the viability sketches at Appendix 2.

8.7 This proposal is that the level of receipt (the land value) will be calculated by means of an open book financial model, and that the land value will be dependent on assumptions including the following:

- the quantum of development approved through the planning process
- market values for the private sale units
- build costs
- grant levels
- developer's overheads and profit
- the levels of S106 contributions required by the Council
- the percentage of affordable housing required by the Council (50% or 35%)

8.8 An indicative financial model and a methodology for calculating land values has been independently reviewed on behalf of the Council. The calculations have been deemed to be generally sound, subject to resolving the details and verification of variable costs and outturn values. Prior to a further report to Cabinet, which will detail the outcome of the second stage feasibility work and the negotiated disposal terms, a more detailed independent review of business planning methodology, costs and value assumptions will be commissioned to ensure that the land value obtained by the Council is fair and reasonable, and represents the best outcome to the Council.

8.9 Value for money in this process will be demonstrated through the competitive selection of Telford Homes as development partner through an OJEU competitive tendering process carried out by Poplar HARCA in 2006-7. This tendering process subjected certain variables, such as the developer's overheads and profit, to a competitive tendering process. Poplar HARCA has provided an open-book review of this process.

8.10 It is anticipated that there will be an overage arrangement so that any increase in outturn property values will be shared 50-50 between the Council and the Partnership, and further provisions ensuring that any savings made in construction costs will also be shared equally with the Council.

8.11 Where grant has been included, the assumption is that it would be available at £25,000 per person for affordable rented, and £12,500 per person for intermediate housing. These assumptions on grant levels are in line with current grant allocations and are deemed to be reasonable assumptions. Section 106 contributions have been assumed at £10,000 per dwelling, and this is expected to generate between £1,350,000 and £2,400,000.

8.12 It should be noted that these figures are indicative at this time and that the potential income from both land disposal and Section 106 contributions is

dependent on a number of factors, including the number of units in any approved scheme, the amount of affordable housing provided, and the availability of grant.

8.13 Facilitating Costs

More work will be done in the proposed feasibility stage to model the optimum scheme to achieve the Council's Key Project Requirements. Cabinet is being asked at this time to authorize liaison with the Partnership to undertake this work. The costs of the second stage feasibility study will be borne by the Partnership at risk, as would the cost of outline and detailed design if Cabinet subsequently approves the post-feasibility proposals and disposal of the land (subject to planning approval). It is estimated that the "at risk" costs to be incurred by Poplar HARCA and East Thames in bringing the proposals to planning approval stage, including the prior feasibility study, will be in the region of £510,000.

- 8.14 However although a sum for the council's potential legal costs has been factored into the business planning at this early stage, and will therefore be recoverable within the overall costs of the scheme, this report is proposing that legal work commences during the next feasibility stage, to draft provisional terms for the land disposals required to enable the proposed development. Provision would need to be made within Council funds for the legal fees incurred during the feasibility stage, which would be reimbursed at a later date if the scheme proceeds.

9. CONSULTATION

- 9.1 The regeneration of Bartlett Park and Cotall Street has been subject to a consultation process dating back to 2000. The council, HARCA and East Thames were closely involved in Leaside Regeneration's Development Framework for the area, published in 2002. This included intensive public consultation and formed the framework for the existing housing developments in the area (e.g. Abbotts Wharf and Stainsby Road). This has informed the proposed regeneration of the Park and Cotall Street.
- 9.2 Also key to this process has been ongoing work with Local Area Partnership (LAP7), the neighbourhood management vehicle for the area, and the Friends of Bartlett Park community group, which contributed to the Bartlett Park Feasibility Study produced in November 2004.
- 9.3 If Members agree that the proposals can be progressed to the next feasibility stage there will be an inclusive programme of community and stakeholder consultation with affected residents and other key stakeholders.

10. OUTLINE PROGRAMME

- 10.1 An outline programme at Appendix 5 provides likely timescales. A feasibility

period in early 2009 will enable officers to progress issues with the Partnership towards a formal offer framework, including as:-

- consultation and engagement with local people and other stakeholders, including affected council departments;
- pre-application planning discussions to better establish the potential for permissible development in terms of design, tenure mix, densities, and section 106 obligations;
- market research on sales values, construction budgeting and business planning to reduce risk;

10.2 Officers anticipate a further report to Cabinet in early summer 2009, for approval of the disposal of land to the Partnership. Once a land contract is exchanged, with completion 'subject to planning', the Partnership will have the security to be able to fund an expensive design and consultation process necessary to draw up a detailed planning submission.

10.3 Proposals for the park and sports facilities will be drawn up concurrently by Council officers within CLC. An initial programme of stakeholder consultation will build on the work already commissioned by Leaside Regeneration and published in the Bartlett Park Feasibility Report.

10.4 It is likely that Cotall Street would be stopped-up after planning approval for the wider scheme is granted, to create a combined development site for Sites B and C, accessed from a single point on Upper North Street. This access point would minimise incursion into the park during the redevelopment works. Construction of the Lansbury Centre could start (i.e. in the lower floor(s) of the proposed residential development on site B,). This would also trigger the payment of the Section 106 contribution, enabling the council to carry out Phase 1 of the park improvements.

10.5 Phase 2 of the park improvements, which will entail extension of the park of the site of 1-94 Cotall Street and the stopped up highway at Cotall Street itself, would form the final phase, after the developments at sites B and C are substantially completed and the hoarding can be removed. Initial estimates are that the entire scheme could be completed by the end of 2012.

11. COMMENTS OF THE HEAD OF CORPORATE PROPERTY SERVICES

11.1 The proposal to regenerate 1-94 Cotall Street and Bartlett Park is in partnership with two of the Council's existing strategic partners in Poplar HARCA and East Thames Housing Group. It appears that the comprehensive regeneration of this area could not be easily achieved without entering into the proposed partnership arrangement, particularly with East Thames as existing owners of adjoining land. The proposed scheme would also serve to achieve the delivery of HARCA's long standing obligation to provide a community facility in this location. The Service Head, Corporate Property, is of the opinion that the proposed partnership arrangement, in these

circumstances, is appropriate subject to the outcome of the feasibility study and appropriate terms being agreed.

- 11.2 Prior to proceeding with any proposed disposal, the Service Head, Corporate Property will need to be satisfied that the sale represents best consideration to the Council both in terms of the capital receipt and additional benefits to be derived.

12. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 12.1 At this stage, officers are seeking authority to progress the regeneration scheme at 1-94 Cotall Street and Bartlett Park, through a feasibility study, in order to bring back to Cabinet a fully worked up proposal for the regeneration of the area in partnership with Poplar HARCA and East Thames Group. Agreement to demolish 1-94 Cotall Street will be subject to a further report following completion of the feasibility study, as will the final decisions regarding disposal of the sites.
- 12.2 The costs of the feasibility study and the accompanying consultation will be borne by the East Thames / Poplar HARCA Partnership.
- 12.3 Twenty-four of the properties within Cotall Street are temporarily occupied by homeless families on non-secure tenancies. Alternative accommodation provision for these families will need to be identified which could have an impact on the Homeless Persons Division budget within the Adults Services Directorate.
- 12.4 The risk management section of the report outlines benefits relating to the proposed demolition and hoarding of 1-94 Cotall St to be funded by Poplar HARCA. This would be an estimated cost saving of approximately £600,000 to the Authority which would not have to finance the demolition costs.
- 12.5 It should be noted that if planning approval is subsequently not granted, the Council would need to incur costs estimated at £300,000 for landscaping and extending the park to the canalside, for which no Budget is currently available.
- 12.6 The impact of this proposal will need to be the subject of further consideration when the report on feasibility is presented to Cabinet.

13. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 13.1 There are no immediate legal implications at this juncture, but there will be significant legal input in the regeneration discussions and legal consequences in relation to partnership working, disposal of land and redevelopment of the site which will be considered in detail in the next report to Cabinet.

14. ONE TOWER HAMLETS CONSIDERATIONS

- 14.1 One Tower Hamlets is an overarching theme of the refreshed Community Plan which describes the Council's commitment to reducing poverty and inequality, bringing local communities closer together and strengthening local leadership.

The table at Appendix 4 assesses the relevance of this proposal to these areas.

15. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 15.1 Disposal to an RSL Partnership will enable the demolition of a run down block which has dominated the park for many years. The proposed redevelopment would be to a high standard, in accordance with the Housing Corporation's 'Design and Quality Standards' published in 2007, creating more green space, better facilities and enhance the appearance and use of the park as an attractive leisure and fitness amenity.
- 15.2 The design will include a number of measures to improve the fuel efficiency of the dwellings, such as better insulation and more efficient heating devices and homes will be expected to achieve eco homes "good" ratings.
- 15.3 Improvements to the park will see increased biodiversity, and the new community facilities and football pitches will encourage a healthier community with improved walking and cycling routes through the park.

16. RISK MANAGEMENT IMPLICATIONS

- 16.1 The risk of vandalism, squatting and ongoing security costs of the vacant flats at 1-94 Cotall Street will be removed as soon as the block is demolished. Poplar HARCA has agreed to commit £300,000 to achieve the demolition and hoarding of the site, subject to approval of the disposal of the proposed sites to the Partnership. This disposal consent by cabinet would be provisional upon the scheme subsequently receiving planning permission, so HARCA's payment for the demolition of the block would be "at risk" and represent a saving to the council.
- 16.2 The risk here is that the site will be cleared and hoarded following an early, HARCA-funded demolition, but should planning permission not be forthcoming for the three proposed sites, or similar sites, then the further finance required to prepare the ground and green the area will not be available unless the council considers an alternative approach to provide new homes and improve the park.
- 16.3 However it is argued that in a worst case scenario where no alternative approach can be established, CLC would still wish to carry out the work to landscape the additional park area and would need to identify funds to do so.

16.4 Approval for the proposed route in terms of actual disposals would depend upon feasibility testing of the project to establish a viable approach to design and business planning and to meet the key project requirements. This would be independently assessed to determine competitive pricing, in the context of the provision of prior developer selection by HARCA, on an open book basis. A legal disposals framework, including performance criteria, would also be submitted for consideration. Ultimately the land disposals agreed by cabinet would entail exchange of conditional contracts with completion subject to planning approval, providing added comfort on deliverability.

17. EFFICIENCY STATEMENT

17.1 Currently, the Council has ownership of a block of 94 flats in poor condition which are scheduled for demolition. There is no budget for either the demolition or refurbishment of the flats to meet current standards. The block is no longer considered suitable even as temporary accommodation, and the remaining 24 non-secure tenants are therefore in the process of being decanted.

17.2 The costs of maintaining security for the empty block plus legal and management costs associated with squatters, vandalism and fly-tipping which the vacant block is likely to attract would be substantial.

17.3 This proposal, through partnership working, achieves the demolition of the block major improvements to Bartlett Park, and a rarely possible increase in public open space, along with additional new affordable housing on three proposed sites A, B and C.

17.4 Approval of the proposals will further enable Poplar HARCA to meet it's commitment to provide a new Community Access Centre, and new changing rooms accessible to the park. The demolition of Cotall Street will allow a land swap releasing three proposed sites for residential development, and the resulting developments on these sites will generate Section 106 planning contributions which will contribute to funding improvements to the park and public realm.

18. APPENDICES

Appendix 1 - Proposed Sites A, B and C

Appendix 2 - First Stage Viability Sketch

Appendix 3 - Current Land Ownership (Colour version being circulated in conjunction with the Cabinet Pre Agenda Planning Report Pack)

Appendix 4 - One Tower Hamlets Considerations

Appendix 5 - Outline Project Programme (Colour version being circulated in conjunction with the Cabinet Pre-Agenda Planning Report Pack)

Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report

Brief description of “back ground papers”

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